

Economic Activity

An exhaustive inventory and analysis were made of retail and service floor space and sales activity in the Essex CBD and in the Eastern Avenue Corridor from Back River to (and including) the Middlesex Shopping Center. This included field survey of floor space and surveys of merchants and

shoppers. The particulars of that inventory and analysis, including projections to 1995, are reported in the Technical Appendix to this study.

Shopper's Survey

Shoppers and other visitors to the Essex area were surveyed to determine their pattern of patronage of stores and services in the Eastern Avenue Corridor, and use of competing facilities. Knowledge of their places of residence permits the definition of the trading area that the Essex corridor serves; this trading area was used in the market analysis to identify the retail sales potential. Highlights of the survey are as follows (see the Technical Appendix for details):

- o Trip Purpose. Tabulating the residence data for visitors to the CBD according to trip purpose reveals that the government center is a major attraction for the CBD, accounting for over 80 percent of the visits to the core. Those visitors coming the greatest distances tend to come for governmental purposes. About half of the visitors to the CBD for government purposes come from outside both the primary and the secondary trading areas, compared to only 15 percent of the shoppers.
- o Trading Area. About 60 percent of the shoppers in the Eastern Avenue corridor come from the Essex and Middle River communities; these have been designated the "primary trading area". Roughly another 30 percent come from Windlass (to the east) and North Point (to the west); this is the "secondary trading area". The remaining 10 to 15 percent are "inflow shoppers" from beyond the trading area.
- o Shoppers Goods Purchases. Almost 40 percent of the shoppers in the Essex CBD usually make their shoppers goods purchases at stores in the CBD, based on the responses of shoppers surveyed in the CBD. Another small proportion (10 percent) of the CBD shoppers make their regular purchases at the Middlesex Shopping Center. Thus, almost half of those who shop in the CBD make their regular shoppers goods purchases outside the Eastern Avenue Corridor.

- o Food Store Purchases. The survey data indicate that most shoppers (45 percent to 55 percent, or roughly half) in the Eastern Avenue Corridor usually do their grocery shopping at the Basics supermarket in the Middlesex Center, while a somewhat lower percentage (about 20 percent to 30 percent) shop regularly at the Mars market in Riverdale. Altogether, about 80 percent to 90 percent of all primary area residents shopping in the corridor make their regular grocery purchases at stores within the primary trading area.

Merchants Survey

In addition to surveys of shoppers in the Eastern Avenue Corridor, a survey was undertaken of merchants in the Essex CBD. The purpose for surveying these merchants was two-fold. First, the survey sought to obtain the opinions of merchants on the business climate in the CBD, on the character and success of their enterprise, and on the problems in the CBD that impact business climate and success. The second purpose was to view first hand these places of business and to assess objectively the quality of the facilities and merchandising practices of the operators. Findings include these observations:

- o Turnover Rate. The pattern of residency indicates a "core" group of retail stores and personal services that have remained in the Essex CBD at their current address since 1980, or just about one out of every four stores. The remaining three out of four have moved in since 1980 and have been at their current address for an average of 4.75 years.
- o Adequacy of Space. Two-thirds respond that their space is adequate and one-third respond that it is not. Most (75 percent) of those responding no, the space is not adequate, indicated a desire for more space. Field observations suggest that space on the whole is not properly utilized in terms of display or storage.

- o CBD Competitiveness. Three-fourths of the merchants surveyed believe that the Essex CBD is a good location for their business. Respondents indicated that the positive elements of the Essex commercial area are its convenience and location within the greater Essex area, and the loyal community atmosphere of the area.
- o Marketing Organization and Practices. Only six (30 percent) of the businesses in the survey currently belong to EDCO or the Chamber of Commerce. Many are complimentary of the streetscape improvements to Eastern Avenue, but as yet they do not see this cosmetic improvement as the answer to the flagging retail market. There is no unified approach to marketing the CBD at present. There is considerable apathy among merchants concerning marketing and promotion.
- o Undesirable features reported about Essex are its lack of traditional retail stores comparable to those found in the malls and shopping centers nearby, what are considered unresolved parking problems, the "run-down" appearance of several storefronts, the large amount of vacant space along Eastern Avenue, and its difficulties as a retail location. Nonetheless, of the businesses surveyed, only 15 percent indicated they have considered moving because of these issues.

Retail Sales In Essex

It is estimated from floor space inventories and merchant surveys that the 147,000 square feet of occupied retail and service floor space in the CBD in 1988 generated about \$14.1 million in retail sales, for an average sales volume of \$96 per square foot. This is almost precisely the same rate of sales generation that was evident in 1977 in constant dollars (an estimated \$13.6 million in sales in 143,000 square feet of space). As noted above, merchants cited disruptions due to street improvements as a cause of lowered sales in this period. Detailed analysis of retail floor space and sales found that:

- o In the CBD shoppers goods stores account for \$4.0 million in sales, convenience goods for \$5.2 million, and other retail for \$2.5 million, for a total of \$11.8 million in retail sales. Services make up the remaining \$2.3 million in sales in the CBD. The single type of establishment with the largest sales volume in the CBD is the eating and drinking category (restaurants), at \$3.9 million.
- o Another \$11.5 million in sales are made at stores in the corridor outside the Essex CBD, excluding the Middlesex Shopping Center. As in the CBD eating and drinking places account for a major share of all sales, at \$3.5 million. In the corridor, however, there is also a substantial concentration of auto parts and related stores, with \$3.6 million in sales. These two types of firms account for 60 percent of the sales in the corridor outside the CBD. The Middlesex Shopping Center makes an estimated \$19.7 million in sales per year, of which \$9.9 million are for groceries and \$5.9 are for shoppers goods, including department stores.
- o The magnitude of expenditures made each year by trading area residents dwarfs the actual sales made by stores within the primary trading area, including the Essex CBD, with \$426 million in expenditures annually. This is especially true of shoppers goods (purchases of \$176 million) -- including department store products, apparel, furniture and miscellaneous specialty goods. As noted above, the shopping centers near Essex tend to be supermarket anchored, and the Essex Corridor's major retail strengths are in convenience goods and highway related activities. Clearly, most trading area residents make their major purchases at the larger malls, such as Golden Ring.
- o The most significant finding of the analysis is that the Essex CBD and business corridor are currently meeting a very small proportion of the potential retail demand in the trading areas they serve. That proportion, or capture rate, is only 5.1 percent of demand -- 6.3 percent in the primary trading area, and 3.5 percent in the secondary trading area. The adjacent Middlesex Shopping Center supplies another 4.4 percent of sales capture, 6.5 percent and 1.5 percent for the submarkets, respectively. The highest capture for corridor businesses is for convenience goods stores

and services, at 11.0 percent. Capture for shoppers goods and food stores is about 2.0 percent.

Summary

This introductory section of the market study and revitalization plan update for the Essex CBD has provided a statement of the purpose and method of the study, and an overview of factors relating to the present state of commercial activity in the downtown -- factors such as traffic, building conditions and area appearance, parking, merchant and shipper preferences, and retail sales. Section II, to follow, will describe previous planning and revitalization activities for Essex, and Sections III and IV will recommend a revised revitalization concept and strategy for Essex.